

**Testimony to the House Committee on Finance
Thursday, March 29, 2012 at 3:00 p.m.
Conference Room 308, State Capitol
Agenda #5**

LATE

**RE: SENATE BILL NO. 2239 HD1 RELATING TO ECONOMIC
DEVELOPMENT**

Chair Oshiro, Vice Chair Lee, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **supports the passage of SB 2239 HD1** relating to Economic Development for further discussion.

The Chamber is the largest business organization in Hawaii, representing more than 1,100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

This measure establishes a venture accelerator funding program under the Hawaii strategic development corporation to assist the State's technology businesses to compete for investment capital and appropriate funds.

In Hawaii, small companies are the engine for Hawaii's economy through the creation of jobs and the generation of economic activity. However, in many situations, especially in the start-up stage, they lack the resources and tools to create sustainable businesses. This is especially prevalent with the research and development sector.

Research and development is a highly critical component to a sustainable economy. R&D provides well-paying jobs to highly-educated employees. These employees pay significant taxes back to the state and spend considerable amounts of income within the state for goods and services. Furthermore, as the R&D matures it creates product companies that increase the number of jobs and tax base significantly.

Therefore, this measure will provide start-up companies guidance and business processes to effectively turn research into successful venture creations.

Thank you for the opportunity to submit testimony.